



Department of Justice

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MARYLAND MAN SENTENCED TO 30 MONTHS IN PRISON FOR IMPORTING AND SELLING COUNTERFEIT CISCO COMPUTER NETWORKING EQUIPMENT

WASHINGTON – Donald H. Cone, 48, of Frederick, Md., was sentenced today in Alexandria, Va., to 30 months in prison for his role in a sophisticated conspiracy to import and sell counterfeit Cisco-branded computer networking equipment, announced U.S. Attorney Neil H. MacBride for the Eastern District of Virginia and Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division.

U.S. District Court Judge Gerald Bruce Lee also ordered Cone to pay \$143,300 in restitution and to serve three years of supervised release following his prison term. A federal jury convicted Cone and a co-conspirator, Chun-Yu Zhao of Chantilly, Va., in May 2011 after a three-week trial. Zhao will be sentenced on Sept. 9, 2011.

According to the evidence introduced at trial, Zhao, Cone and Zhao's family members in China operated a large-scale counterfeit computer networking equipment business under the names of JDC Networking Inc. and Han Tong Technology (Hong Kong) Limited. JDC Networking Inc., located in Virginia, altered Cisco products by using pirated software, and created labels and packaging in order to mislead consumers into believing the products it sold were genuine Cisco products. To evade detection, Zhao used various names and addresses in importation documents, and hid millions of dollars of counterfeit proceeds through a web of bank accounts and real estate held in the names of family members in China.

The case was investigated by U.S. Immigration and Customs Enforcement's Homeland Security Investigations' Washington, D.C., office, as well as the Office of the Inspector General from the General Services Administration. U.S. Customs and Border Protection made a criminal referral to ICE after intercepting counterfeit products from China destined for addresses associated with Cone, Zhao and JDC Networking Inc.

The case was prosecuted by Assistant U.S. Attorneys Jay Prabhu and Lindsay Kelly from the Eastern District of Virginia, and Senior Counsel Michael Stawasz from the Computer Crime and Intellectual Property Section in the Justice Department's Criminal Division.

The sentencing announced today is an example of the type of efforts being undertaken by the Department of Justice Task Force on Intellectual Property (IP Task Force). Attorney General Eric Holder created the IP Task Force to combat the growing number of domestic and international intellectual property crimes, protect the health and safety of American consumers, and safeguard the

nation's economic security against those who seek to profit illegally from American creativity, innovation and hard work. The IP Task Force seeks to strengthen intellectual property rights protection through heightened criminal and civil enforcement, greater coordination among federal, state and local law enforcement partners, and increased focus on international enforcement efforts, including reinforcing relationships with key foreign partners and U.S. industry leaders. To learn more about the IP Task Force, go to www.justice.gov/dag/iptaskforce/.

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